



Addressing top of mind technology, media, and telecom issues

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Agentic AI

The emergence of agentic AI is transforming the TMT sector, enabling companies to automate complex tasks, improve operational performance, and unlock new business models. At the forefront of this transformation are AI ‘agents’—digital tools designed to fulfill organizational goals by taking meaningful, independent action and blending advanced reasoning with planning, orchestration, and governance.

These AI agents present a tremendous opportunity for TMT companies to unlock enterprise value in at least four significant ways:

1. Expanding work that can be automated
2. Ensuring 24/7/365 availability
3. Enhancing organizational resilience through continuous optimization
4. Converting knowledge into actionable strategies

Recent [KPMG survey findings](#) highlight that TMT companies are at a pivotal moment in their AI journeys. While 88 percent of executives view AI adoption as a means of gaining a competitive edge, 68 percent face shareholder pressure to demonstrate immediate ROI on AI investments.

To bridge the AI gap and achieve maximum impact, TMT companies must transform their internal operations by boosting productivity, embedding AI into products and services faster than their competitors, and adapting their business models to embrace a fully AI-integrated world. By doing so, they’ll not only meet shareholder demands for ROI but also leverage AI as a cornerstone for sustained competitive advantage and transformative growth.



Potential actions:

TMT companies can accelerate their journey to value with AI through these actions:

- **Architect a coherent, AI-centric vision and strategy:** Shaping a clear vision and strategy is crucial to address the challenges posed by AI’s disruptive nature and cross-functional business impact.
- **Build trust from the outset:** Trust is foundational in transformation, as the speed of transformation is limited by the pace at which trust is established within the organization.
- **Supercharge AI product intelligence:** Designing products for continuous AI learning and evolution maximizes AI’s potential, ensuring products stay ahead in a rapidly changing landscape.
- **Scale AI operations with next-gen tech and data:** Investing in cutting-edge AI technologies and provisioning necessary data are critical steps for scaling AI operations effectively.
- **Operationalize and evangelize AI-enabled flows of work:** Leading workforce transformation involves embedding AI deeply into both customer and employee experiences, driving efficiency and innovation.



Thought leadership:

- [The agentic AI advantage: Unlocking the next level of AI value](#)
- [Intelligent Tech: A blueprint for creating value through AI-driven transformation](#)
- [Finance’s AI makeover](#)
- [State Series: AI legislation](#)

Tariffs and impacts on TMT

Tariffs continue to significantly impact the TMT sector, creating both immediate challenges and long-term strategic implications. TMT companies must navigate the complex landscape of unilateral and retaliatory tariffs, and prioritize strategic planning and risk management.

The new and evolving tariff landscape can affect their supply chains, manufacturing costs, and overall financial performance. What's more, the uncertainty surrounding tariffs requires a proactive and strategic approach to mitigating immediate, medium- and long-term risks, and capitalizing on potential opportunities.

The implications for TMT companies are multifaceted. In the near term, companies must assess their exposure to tariffs and develop contingency plans to manage potential impacts on their operations and bottom line. This includes analyzing trade data, evaluating country of origin and harmonized tariff classifications, and exploring duty mitigation strategies. In the medium term, companies can implement cost mitigation measures, such as renegotiating contracts or finding alternative materials. Long-term strategies may involve diversifying supply chains to reduce reliance on tariff-impacted regions.

These strategies also include monitoring regulatory changes, engaging with trade associations, and developing flexible supply chain resources that are essential to mitigating the impacts of tariffs and positioning TMT companies for long-term success.



Potential actions:

Here are some key steps for TMT companies to consider:

- **Assess tariff impact and scenarios:** Analyze trade data to evaluate current and potential tariff impacts. Conduct scenario planning to develop contingency plans.
- **Implement duty mitigation strategies:** Explore strategies like First Sale for Export, valuation, and foreign trade zones (FTZ) to identify potential savings.
- **Re-evaluate product designs and commercial strategies:** Analyze current pricing to determine if higher costs can be passed on to customers. Find alternative materials or components with lower or no tariffs.
- **Diversify supply chains:** Evaluate current country of origin mix, analyze tariff impact at the SKU level and classify/reclassify accordingly, and develop a future framework that balances cost, risk, and capacity.
- **Optimize tax strategies:** Mitigate tax-related costs with transfer pricing and value chain management planning and explore tax structures that enable tariff and income tax savings.



Thought leadership:

- [Tariffs and TMT: Strategies for success in a dynamic economy](#)
- [Thriving amid tariff uncertainty in tech, media and telecom](#)
- [Effects of tariffs on financial reporting](#)
- [KPMG reports: Tax subtitle for "One Big Beautiful Bill"](#)

Key trends to watch related to regulatory changes

The TMT sector faces an evolving and increasingly complex regulatory environment, with significant implications for their operations, financial performance, and strategic decision-making. For the remainder of 2025, TMT companies will want to pay particular attention to regulatory changes concerning AI, cyber security, data privacy, tariffs and antitrust restrictions.

They should also keep in mind that policy modifications generally are expected to favor national security over consumer protections. What's more, these changes are expected to have differing impacts depending on the sector/services being discussed (for example between social media and other "Big Tech", such as hyperscalers).

TMT executives would be well advised to prioritize regulatory compliance and risk management to mitigate potential impact on their businesses. This includes staying up-to-date with regulatory developments, assessing the implications on their operations, and implementing strategies to manage risks and capitalize on opportunities.



Potential actions:

Here are key considerations for TMT companies:

- **Avoid risk complacency:** Maintain ongoing adherence to existing regulations despite changes in agency priorities or enforcement intensity. Regular compliance checks are essential to ensure continued adherence.
- **Be alert to new tailoring and frameworks:** Stay informed about withdrawals of proposed rules, modifications to existing rules, and the increasing use of 'frameworks' and statements versus guidance.
- **Expect continued investigation/enforcement shifts:** Anticipate shifts in investigation and enforcement priorities, particularly in areas such as AI, cybersecurity, fraud and scams, and financial crime. Proactive, data-informed compliance measures can help address potential regulatory focuses.
- **Be prepared for expanded regulatory divergence:** Monitor and analyze regulatory changes at both federal and state levels, as divergence between them is expected to increase. Develop strategic plans to address potential regulatory differences across jurisdictions.



Thought leadership:

- [Key 10 regulatory challenges for TMT: 2025 midyear](#)
- [SEC staff updates financial reporting manual](#)
- [Handbook: Accounting for economic disruption](#)
- [Accounting for One Big Beautiful Bill](#)

Customer centricity and revenue growth

The TMT sector is facing significant challenges in revenue operations due to lack of integration among marketing, sales, and service/success functions. This is not just a technical glitch, it's a strategic oversight that's directly costing TMT companies significant revenue opportunities and leading to declining customer satisfaction.

Among these challenges are the following:

Substantial revenue leakage due to data silos: Over 50 percent of respondents to the recent [KPMG survey](#) reported that data silos continue to prevent a unified view of their customers across marketing, sales, and customer success departments. As a result, TMT companies experience missed cross-sell and upsell opportunities, customer churn, delays between order and activation, and billing errors.

Misaligned performance metrics: A third of respondents stated they struggle with misaligned performance incentives and incentive plans, exacerbating their revenue growth problems.

Lack of sales process discipline: Nearly 40 percent of TMT execs reported that the lack of sales process discipline is the top challenge for their organization. This includes managing the distribution of qualified leads, and onboarding and activation of new users.



Potential actions:

Here are some key action steps for TMT companies to consider:

- **Identify and fix revenue leakage:** This involves unifying revenue operations across functions to identify issues such as poorly governed pricing tactics, customer onboarding and activation delays, billing issues, and so on.
- **Leverage AI and modern technology:** TMT companies need to continuously adapt and integrate innovative technologies into their operations to drive growth and enhance customer relationships.
- **Strengthen cross-selling and upselling capabilities:** Marketing, sales and customer success teams must develop integrated programs where they can work together to pursue cross-selling and upselling opportunities.
- **Improve customer retention initiatives:** Successful TMT companies regularly seek customer feedback to identify areas for improvement. Predictive analytics can help target high potential customers, create personalized experiences, and identify at-risk customers.
- **Optimize and automate data collection:** This can help capture all key data elements electronically, ensuring smooth order booking and entitlement activation downstream, and enabling fast and accurate billing.



Thought leadership:

- [The path to growth in TMT: Revenue operations strategies redefined](#)
- [Unlocking value in the TMT industry with data products](#)

Strategic partnership and market expansion

The [Q2 2025 M&A trends report](#) for the TMT sector reveals a resilient and strategically focused mergers and acquisitions (M&A) environment despite macroeconomic uncertainties and geopolitical noise. Key trends include a shift towards larger, more complex deals, a modest decline in deal volume, and overall deal value remaining stable.

The report also found that TMT companies are prioritizing the acquisition of AI talent and infrastructure over customer acquisition. In addition, it revealed that media deal value surged due to transformative consolidations, including acquisitions in streaming services. What's more, overall telecom deal value rose as a result of large strategic deals, with fiber-to-the-home network expansion being a key factor.

As we look ahead, the report expects steady M&A activity driven by underlying fundamentals such as AI adoption, digital infrastructure demand, and strategic realignment.



Potential actions:

Here are some key considerations for TMT industry dealmakers:

- **Double down on diligence:** TMT execs should prioritize thorough diligence to navigate complex deals. This includes focusing on integration readiness and value capture planning earlier in the deal lifecycle.
- **'Replatform' media for monetization:** Media companies should prioritize assets that enable GenAI personalization and immersive content, making sharper portfolio decisions amidst streaming saturation and ad decline.
- **Accelerate fiber-first telecom strategy:** Telecom players must prioritize fiber consolidation to gain a competitive edge as infrastructure scale is now a competitive must.
- **Watch the regulators:** TMT dealmakers need to be proactive in engaging with regulators and structure deals with flexibility due to intensifying antitrust scrutiny.
- **Capitalize on AI convergence:** TMT companies should focus on acquiring AI talent and infrastructure, as well as investing in AI-native capabilities and cybersecurity to remain competitive.



Thought leadership:

- [M&A trends in tech, media, and telecom](#)
- [Inside an IPO: from readiness to ringing the bell](#)
- [Venture Pulse Q2 2025](#)
- [Expanding semiconductor capital investments in the US](#)

Industry outlook reports and other insights



[Global Mobility Benchmarking Survey insights for TMT](#)

Learn about the evolving landscape of global mobility in the TMT sector, where we focus on the areas of service delivery, technology investment, and artificial intelligence (AI). Explore how these changes impact TMT firms' goals and challenges, and what they're doing to upgrade technology resources and talent management practices.

[Handbook: Revenue for software and SaaS](#)

Gain a greater understanding of how revenue standards apply to software licensing and SaaS arrangements. Our in-depth guide, which has been updated for continuing developments in the area, provides detailed Q&As and examples.

[The Intelligent Tech Enterprise](#)

Read KPMG's blueprint for an intelligent enterprise to navigate this journey, unlock AI's true value, and transform your business operations.

[Global Semiconductor Industry Outlook for 2025](#)

Discover the industry outlook of semiconductor executives for 2025 and beyond. KPMG and the Global Semiconductor Alliance's milestone 20th annual global semiconductor industry survey for the fourth quarter of 2024 captures the insights, outlooks and future plans of 156 industry executives.

[AI Insights](#)

Get the latest thinking from KPMG on artificial intelligence and machine learning.

[Board Leadership Center Thought Leadership Series](#)

Explore the insights and strategies of directors focused on today's boardroom challenges and priorities, and the resources of which they avail themselves.

[Trade and tariff Insights](#)

Navigate the future of trade and tariffs with KPMG to stay informed and gain valuable insights.

[Financial Reporting View](#)

Subscribe to our Financial Reporting View newsletter for updates on accounting and financial reporting topics from KPMG.

[KPMG Economics](#)

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